



**ES CERAMICS TECHNOLOGY BERHAD**  
**Registration No. 200301024697 (627117-P)**  
(Incorporated in Malaysia)

**TERMS OF REFERENCE  
OF  
REMUNERATION COMMITTEE**

**1. OBJECTIVES**

To establish a formal and transparent procedure for developing policy on the remuneration of directors and senior management and recommending their remuneration packages. The remuneration package of the executive directors and senior management should be aligned with the business strategy and long-term objectives of the Group while the remuneration of other board members shall reflect the board's responsibilities, expertise and complexity of the Group's activities.

**2. MEMBERS**

The Remuneration Committee ("Remuneration Committee" or "Committee") shall be appointed by the Board of Directors from among the Directors of the Company and shall comprise wholly or mainly of non-executive directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

**3. QUORUM**

The quorum of the meeting of the Committee shall be at least two (2) members, a majority of whom shall be Non-Executive Directors.

**4. CHAIRMAN**

The Chairman shall be elected by the Committee from among their members.

In the absence of the Chairman of the Committee, the remaining members present shall elect one of their members who shall be a Non-Executive Director as Chairman of the meeting.

**5. SECRETARY**

The Company Secretary or other appropriate senior official shall be the Secretary to the Committee.

## **6. MEETINGS AND MINUTES**

- a) The Committee shall meet at least once a year or as and when the need arises or a member may at any time and the secretary shall on the requisition of a member, summon a meeting of the Committee.
- b) The Committee may via a circular resolution resolved issues that are referred to them for consideration, if need arises. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by ALL members, shall be as valid and effectual as if it had been passed at a meeting duly convened and constituted.
- c) Other Board members, and/or other appropriate officers may attend meetings only upon the invitation of the Committee.
- d) Minutes of each meeting shall be circulated to Committee members and presented to the Board.
- e) Issues discussed and actions recommended by the Committee shall be presented and reported to the Board for decision.

## **7. FUNCTIONS**

- a) To assist the Board in ensuring the remuneration of the directors of the Company reflects the responsibility, skill expertise and commitment of the director concerned which takes into accounts the demands, complexities and performance of the Company.
- b) The Committee shall recommend to the board, the remuneration packages of the executive directors of the Company in all its forms, drawing from outside advice as necessary. The remuneration packages should be determined by the Board. Executive Directors should play no part in decisions on their own remuneration.
- c) To recommend to the Board the remuneration packages of non-executive directors, including non-executive chairman. The remuneration packages should be determined by the Board as a whole. The individuals concerned should abstain from discussion their own remuneration.
- d) To recommend to the Board the remuneration packages/allowances of members of the Board's committees. The remuneration packages should be determined by the Board as a whole. The individuals concerned should abstain from discussion their own remuneration.
- e) To recommend to the Board any performance related pay schemes for executive directors.
- f) To review executive directors' service and employment contract.
- g) To review and report such other matters as may be delegated by the Board from time to time.

## **8. ACCESS TO ADVICE**

In furtherance to their duties as the Committee's members of the Company, the Committee as a whole or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.